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› 2008 (Version 1.1)



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# Standard Economic Sector Classifications of Australia (SESCA)

Contains institutional sector and associated classifications used in the compilation and publication of national accounts and related statistics

Reference period: 2008 (Version 1.1)

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## Introduction

### Preface

This publication describes the suite of economic sector classifications used by the Australian Bureau of Statistics (ABS) to produce macro-economic statistics including National Accounts, Government Finance and International Accounts statistics as well as other component economic indicators.

The classifications are:

- Standard Institutional Sector Classification of Australia (SISCA);
- Public/Private Classification;
- Level of Government Classification;
- Jurisdiction Classification; and
- Type of Legal Organisation (TOLO).

The classifications are shown in detail, while the data cubes show correspondences between the revised SISCA, the previous SISCA and the 2008 SNA classification.

Brian Pink  
Australian Statistician

## What's new

The ABS has completed an update of the Standard Economic Sector Classifications of Australia (SESCA). The concepts described in this publication are consistent with those presented in the original 2008 version. SESCO 2008 version 1.1 is presented in an e-mag format, replacing the original pdf publication.

### Reason for this SESCO update

The update of SESCO was triggered primarily because of changes made to the ABS Economic Units Model (EUM). In addition, this version:

- clarifies class definitions;
- modifies includes/excludes to overcome practical difficulties in the classification of certain unit types;
- corrects minor errors and omissions;
- creates new classes brought about by changes in legislation; and,
- contains consequential changes to the 'Unit of Classification' and 'Glossary' brought about by the inclusion of the new EUM.

### Standard Institutional Sector Classification of Australia classification changes

- Classes 1001 Non-Financial Investment Funds and 2142 Non-Money Market Financial Investment Funds:
  - Clarification of the boundary between these classes by changes to the inclusions.
- Class 2191 Securitisers
  - Identification of the Special Purpose Entity/Vehicle within the class description.
- Class 2200 Financial Auxiliaries:
  - Explicit inclusion of units engaged in trading or broking carbon credits; and,

- Explicit inclusion of Holding Companies with financial subsidiaries.
- Class 3000 General Government:
  - Explicit inclusion of Future and Sovereign Wealth Funds; and,
  - Removal of explicit identification of Public Universities pending future investigation into market/non market characteristics.

### **Jurisdiction classification changes**

- Removal of separate class 1 for "Commonwealth";
- Reduction of existing class numbering by one to reflect removal of "Commonwealth";
- Change of former class 10 Multi-jurisdiction to class 9 Other Jurisdiction;
- Explicit inclusion of Christmas and Cocos Keeling Islands in revised class 9 Other Jurisdiction.

### **Level of government classification change**

- Inclusion of new class 4 Control n.f.d. (Not further defined) for public sector units where control is not recognised for any single level of government.

### **Other changes**

- Global change of "Not for Profit" usage to "Non-profit" to align with 2008 SNA.

## **Overview**

### **Purpose of the SCSA**

The purpose of sector classification is to identify and group economic units which share common organisational and operational characteristics for the purpose of economic analysis. Sector classifications provide an integrated framework for the collection, analysis and dissemination of sector data for the economy.

This publication describes the following classifications:

- Standard Institutional Sector Classification of Australia (SISCA);
- Public/Private Classification;
- Level of Government Classification;
- Jurisdiction Classification; and
- Type of Legal Organisation (TOLO).

Many of the macro-economic statistics produced by the ABS are classified by sector, including the National Accounts, Balance of Payments (BOP) and International Investment Position (IIP) statistics, Government Finance Statistics (GFS), and other financial statistics.

## **Unit of classification**

Statistical units are the entities about which data are collected or tabulated.

Specific units are used for different statistical purposes, e.g. producing units are used in compiling industry statistics and institutional units are used in compiling financial statistics. This publication describes institutional units and their classification.

## **International standards**

Statistical standards enable meaningful comparisons to be made between Australia's economy and the rest of the world.

The classifications discussed in this publication are aligned to classifications and concepts in the System of National Accounts 2008 (2008 SNA). 2008 SNA provides the basis for the production of a transparent and integrated set of economic statistics which is internationally comparable. In addition to 2008 SNA, the classifications in this publication include elements drawn from the classifications used in the International Monetary Fund's (IMF) sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the IMF's Government Finance Statistics Manual 2001.

The ABS adheres to internationally accepted standards. This ensures that Australian statistics are comparable with other countries that apply the standards. These statistical standards are developed in consultation with national statistical agencies, including the ABS, and other bodies with an interest in internationally comparable statistics.

## **Previous national classifications**

This publication replaces SESA 2008 which was also based on the institutional unit classifications articulated in the System of National Accounts 2008 (2008 SNA).

## **Overview of this edition**

### **Concepts**

The 'unit of classification' chapter provides an outline of the statistical units applied to the classifications in this publication. Statistical units are the entities about which information is compiled. They are defined in a consistent way to enable users of statistics to make valid comparisons of information compiled from different statistical sources and to enable composite pictures of the Australian economy to be drawn.

The 'key concepts' section provides definitions such as control, market and non-market operators, Australia's economic territory and residence. These concepts underpin the classification of units to institutional sector, Public/Private and Level of Government classifications and the definition of the national economy. They facilitate analysis of sectoral

data through the formation of homogeneous categories in these classifications.

## **Classifications**

The Standard Institutional Sector Classification of Australia (SISCA) is a classification of institutional units which provides a framework for dividing the Australian economy into institutional sectors. These sectors group units which have similar economic functions and structural characteristics. This framework allows for the consistent collection, analysis and dissemination of institutional sector information. The SISCA is the most widely adopted classification among the classifications covered in this publication.

The Public/Private classification divides the Australian economy into the public sector (resident units controlled by government) and the private sector (all other resident units).

The Level of Government classification divides the public sector into levels on the basis of control and underpins the production of GFS.

The Jurisdiction classification divides the Public sector into classes based on the government which exercises control over a particular institutional unit. The classes refer to the Governments of the Commonwealth and the individual states and territories.

The Type of Legal Organisation (TOLO) classification is applied to business entities and subdivides them into classes on the basis of their legal organisation. This classification provides structures for presenting information on the characteristics of businesses in Australia and in analysis of employing units.

## **Explanatory notes and correspondences**

The explanatory notes and data cubes provide additional information about these classifications. Within the explanatory notes, the Appendix details the ABS economic units model. A glossary of the main terms used in the SESA and an abbreviations list is also provided. The data cubes include a series of correspondences which provide links between SISCA 1998 and SISCA 2008, as well as the relationship between SISCA and the 2008 SNA institutional sector classification, highlighting areas of difference..

## **Implementation of classifications in Australian Bureau of Statistics publications**

Of the classifications included in this publication, none of the updates will have a major impact on published statistics.

## **Concepts**

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### **Unit of classification**

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## Key concepts

This chapter provides explanations of the key concepts that underpin the classification of units to institutional sector, Public/Private and Level of Government classifications and the definition of the national economy. They facilitate analysis of sectoral data through the formation of homogeneous categories in these classifications.

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[See all key concepts](#)

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## Standard Institutional Sector Classification of Australia (SISCA)

### Introduction

The Standard Institutional Sector Classification of Australia (SISCA) provides a framework for dividing the Australian economy into institutional sectors. These sectors group units which have similar economic functions and share similar structural characteristics. This framework allows for the consistent collection, analysis and dissemination of sector information. The SISCA is the most widely adopted classification among the classifications covered in this publication.

### SISCA numbering system

The numbering system adopted in the SISCA has a hierarchical structure, where a 1-digit numeric code denotes the sector, a 2-digit code denotes the subsector, a 3-digit code denotes the group, and a 4-digit code denotes the class. For example:

### Level classification category

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Hierarchical level	Institutional unit
Sector 2	2 Financial Corporations
Subsector 21	21 Financial Intermediaries
Group 214	214 Financial Investment Funds
Class 2141	2141 Money Market Funds

In the example above, the 'Financial Corporations' Sector is represented by the numeric code 2. The 'Financial Intermediaries' Subsector is represented by code 21. The 'Financial Investment Funds' Group is represented by code 214, and the 'Money Market Funds' Class is represented by code 2141.

If there is only one subsector within a sector, the 2-digit code is the 1-digit sector code followed by a zero. For example:

3 General Government

- 30 General Government

If there is more than one subsector within a sector, the subsector codes are created using the 1-digit sector code followed by numbers starting with one. For example:

## 2 Financial Corporations

- 21 Financial Intermediaries
- 22 Financial Auxiliaries
- 23 Captive Financial Institutions and Money Lenders

The same convention applies to groups and classes. For example:

## 2 Financial Corporations

- 21 Financial Intermediaries
  - 211 Reserve Bank of Australia
    - 2110 Reserve Bank of Australia
  - 213 Pension Funds and Insurance Corporations
    - 2131 Pension Funds
    - 2132 Life Insurance Corporations
    - 2133 Non-Life Insurance Corporations

Where there is an 'other' group or class, the number nine is used. These categories include units belonging to the sector, but they may be diverse in nature or may not be sufficiently significant to justify separate groups or classes in their own right. For the purposes of the classification, they are grouped together and treated as separate categories to retain the homogeneity of the other categories within the classification. For example:

## 2 Financial Corporations

- 21 Financial Intermediaries
  - 212 Depository Corporations
    - 2121 Banks
    - 2129 Other Depository Corporations

## **SISCA sector, subsector, group and class codes and titles**

### 1 Non-financial corporations

- 10 Non-Financial corporations
  - 100 Non-Financial Corporations
    - 1001 Non-Financial Investment Funds

- 1009 Other Non-Financial Corporations

## 2 Financial corporations

- 21 Financial Intermediaries
  - 211 Reserve Bank of Australia
    - 2110 Reserve Bank of Australia
  - 212 Depository Corporations
    - 2121 Banks
    - 2129 Other Depository Corporations
  - 213 Superannuation Funds and Insurance Corporations
    - 2131 Superannuation Funds
    - 2132 Life Insurance Corporations
    - 2133 Non-Life Insurance Corporations
  - 214 Financial Investment Funds
    - 2141 Money Market Funds
    - 2142 Non-Money Market Financial Investment Funds
  - 219 Securitisers and Other Financial Intermediaries
    - 2191 Securitisers
    - 2199 Other Financial Intermediaries
- 22 Financial Auxiliaries
  - 220 Financial Auxiliaries
    - 2200 Financial Auxiliaries
- 23 Captive Financial Institutions and Money Lenders
  - 230 Captive Financial Institutions and Money Lenders
    - 2301 Central Borrowing Authorities
  - 2309 Money Lenders and Other Captive Financial Institutions

## 3 General government

- 30 General Government
  - 300 General Government
    - 3000 General Government

## 4 Households

- 40 Households
  - 400 Households
    - 4000 Households

## 5 Non-profit institutions serving households



- 50 Non-profit Institutions Serving Households
  - 500 Non-profit Institutions Serving Households
    - 5000 Non-profit Institutions Serving Households

## 6 Rest of the world

- 60 Rest of the World
  - 600 Rest of the World
    - 6000 Rest of the World

A table showing correspondences between the 2008 SNA institutional sector classification and SISCA 2008 can be found in the Data downloads section. The remainder of this chapter discusses the composition of each of the SISCA sectors and subsectors.

The resident economy consists of SISCA Sectors 1 to 5 inclusive.

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## Sector 1 – Non-financial corporations

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## Sector 2 - Financial corporations

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## Sector 3 - General government

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## Sector 4 - Households

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## Sector 5 - Non-profit institutions serving households (NPISH)

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## Sector 6 - Rest of the world (ROW)

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# Public/Private classification

## Introduction

The Public/Private classification provides a standard for the compilation of statistics that involve dividing the resident economy into broad economic sectors depending on whether or not they are controlled by government.

The Public/Private classification divides the economy into two sectors:

1. Public (government units and units controlled by government); and
2. Private (all other units).

For the purposes of the Public/Private classification, government control of corporations is assessed against the criteria outlined in 'Key Concepts'. This does not include government regulation of an industry or group of entities. Similarly entities created by legislation are not

necessarily controlled by government. Government authority to determine the general policy of a corporation usually comes from legislation that is specific to the individual corporation over which control is exercised.

Instances can arise in which the public and private sectors share ownership of a corporation. In such cases, the corporation is allocated to the sector that has effective control over the activities and policy of the corporation.

## **Sector 1 - Public sector**

The public sector comprises:

- All government units as defined in 'Unit of Classification'
- All institutional units and notional institutional units controlled by government as per the definition of control outlined in 'Key Concepts'

Includes

- Financial corporations controlled by government
- Government agencies
- Government departments
- Non-financial corporations controlled by government
- Notional institutional units controlled by government
- Public financial corporations
- Public non-financial corporations

Exclusions/References

- Superannuation funds for public sector employees are included in the Private Sector

## **Sector 2 Private sector**

The private sector comprises all resident units operated by private enterprise, except those controlled by government.

Includes

- Household institutional units
- Private corporations
- Private notional institutional units
- Superannuation funds for public sector employees
- Unincorporated enterprises

Exclusions/References

- Notional institutional units controlled by government are included in the Public Sector

## Level of government classification

### Introduction

The Level of Government classification is a standard for the compilation of statistics that involve dividing the Public sector (as defined in the Public/Private Classification) into the four class of government. These classes represent the administrative and legal arrangements of government in Australia.

Allocating a unit to a Level of Government is undertaken by determining the institutional unit deemed to exercise control (see 'Key Concepts'). While Level of Government classification is consistent with 2008 SNA paragraphs 4.130 and 22.42, several qualifications must be noted:

- Social Security Funds are separately identified in the alternate structure described in 2008 SNA paragraph 4.129. As no social security funds are considered to exist within Australia, this level is not reflected within SESCA 2008 Version 1.1;
- While NPIs controlled by government are part of the public sector, these units are not considered material. In practice, most NPIs controlled by government will be treated as government units and therefore classified to the general government sector; and,
- SESCA 2008 Version 1.1 creates a Control not further defined (n.f.d.) Level of Government to include public sector entities where control is not recognised by any government. This deviation from 2008 SNA paragraph 22.42 is a pragmatic necessity to enable separate identification of public sector entities which are excluded from charts of accounts compiled by state, territory and commonwealth governments and therefore enable reconciliation.

The Level of Government classification divides the Public sector between:

- Commonwealth;
- State/Territory;
- Local; and
- Control n.f.d.

The National Level of Government is defined as the sum of Classes 1 and 4.

### Class 1 - Commonwealth

All public sector units controlled by the Australian Government are classified to the Commonwealth Level of Government.

Includes

- Government units controlled by the Australian Government
- Public financial corporations controlled by the Australian Government
- Public non-financial corporations controlled by the Australian Government

## **Class 2 - State/territory**

All public sector units controlled by state / territory governments are classified to the State / Territory Level of Government. For the purposes of the classification, these governments include:

- New South Wales Government;
- Victorian Government;
- Queensland Government;
- Western Australian Government;
- South Australian Government;
- Tasmanian Government;
- Northern Territory Government; and
- Australian Capital Territory Government.

Includes

- Government units controlled by a state / territory government
- Public financial corporations controlled by a state / territory government
- Public non-financial corporations controlled by a state / territory government

## **Class 3 - Local**

All public sector units controlled by a local government are classified to the Local Level of Government. Local government units are usually known as councils and are constituted through Local Government legislation. They are established to govern articulated regions within the state or territory known variously as districts, municipalities, shires, or areas. The power to create or vary these regions usually lies with the Governor General, State Governor or a Commonwealth Minister.

For the purposes of this classification, the local government authorities referenced below also includes Norfolk Island administration, Christmas Island Shire Council and Cocos (Keeling) Islands Shire Council.

Includes

- Local Government authorities

- Public financial corporations controlled by a local government authority
- Public non-financial corporations controlled by a local government authority

#### **Class 4 - Control not further defined**

All public sector units where control is not recognised by any government are classified to the Control n.f.d. Level of Government.

Includes

- Public Universities

## **Jurisdiction classification**

### **Introduction**

The Jurisdiction classification is a standard for dividing the State/Territory and Local Levels of Government (see Level of Government Classification) into classes to identify the government which exercises control over a particular institutional unit. This classification is not applied to the Commonwealth Level of Government (as it does not have a state dimension) and the Control nfd Level of Government (since control has not been defined).

The Jurisdiction classification divides state / territory and local Levels of Government between the following nine classes:

1. New South Wales
2. Victoria
3. Queensland
4. Western Australia
5. South Australia
6. Tasmania
7. Northern Territory
8. Australian Capital Territory
9. Other Jurisdiction

Each unit within the Local Level of Government will be allocated to the jurisdiction responsible for the legislation under which their administration is established.

Units controlled by governments outside the first eight jurisdictions such as Christmas Island, Cocos Island and Norfolk Island are classified to Other Jurisdiction.

The institutional units which participate in unincorporated joint ventures are classified to their respective jurisdiction.

### **Class 1 - New South Wales**

This class consists of all units controlled by the government of New South Wales.

Includes

- General government units controlled by the New South Wales government
- Public financial corporations controlled by the New South Wales government
- Public non-financial corporations controlled by the New South Wales government
- Local governments (and controlled entities) administered under New South Wales Government legislation

### **Class 2 - Victoria**

This class consists of all units controlled by the government of Victoria.

Includes

- General government units controlled by the Victorian government
- Public financial corporations controlled by the Victorian government
- Public non-financial corporations controlled by the Victorian government
- Local governments (and controlled entities) administered under Victorian government legislation

### **Class 3 - Queensland**

This class consists of all units controlled by the government of Queensland.

Includes

- General government units controlled by the Queensland government
- Public financial corporations controlled by the Queensland government
- Public non-financial corporations controlled by the Queensland government
- Local governments (and controlled entities) administered under Queensland government legislation

### **Class 4 - Western Australia**

This class consists of all units controlled by the government of Western Australia.

Includes

- General government units controlled by the Western Australian government

- Public financial corporations controlled by the Western Australian government
- Public non-financial corporations controlled by the Western Australian government
- Local governments (and controlled entities) administered under Western Australian government legislation

### **Class 5 - South Australia**

This class consists of all units controlled by the government of South Australia.

Includes

- General government units controlled by the South Australian government
- Public financial corporations controlled by the South Australian government
- Public non-financial corporations controlled by the South Australian government
- Local governments (and controlled entities) administered under South Australian government legislation

### **Class 6 Tasmania**

This class consists of all units controlled by the government of Tasmania.

Includes

- General government units controlled by the Tasmanian government
- Public financial corporations controlled by the Tasmanian government
- Public non-financial corporations controlled by the Tasmanian government
- Local governments (and controlled entities) administered under Tasmanian government legislation

### **Class 7 - Northern Territory**

This class consists of all units controlled by the government of Northern Territory.

Includes

- General government units controlled by the Northern Territory government
- Public financial corporations controlled by the Northern Territory government
- Public non-financial corporations controlled by the Northern Territory government
- Local governments (and controlled entities) administered under Northern Territory government legislation

### **Class 8 - Australian Capital Territory**

This class consists of all units controlled by the government of the Australian Capital Territory.

Includes

- General government units controlled by the Australian Capital Territory government
- Public financial corporations controlled by the Australian Capital Territory government
- Public non-financial corporations controlled by the Australian Capital Territory government

## **Class 9 - Other jurisdiction**

This class consists of all units not controlled by another resident government

Includes

- Norfolk Island administration
- Christmas Island Shire Council
- Cocos (Keeling) Islands Shire Council.

## **Type of Legal Organisation (TOLO) classification**

### **Introduction**

The Type of Legal Organisation (TOLO) classification is used to classify institutional units according to the type of legal organisation that best describes their structure. For the purposes of TOLO, notional institutional units are classified to the same category as their parent institutional unit.

There are three types of legal organisations:

- Incorporated private sector entities;
- Unincorporated private sector entities; and
- Public sector entities.

TOLO is a two level hierarchical classification. The 1-digit numeric code relates to the group level, which provides a broad level breakdown of legal organisations, and the 2-digit code denotes the class, which provides a more detailed breakdown of legal organisations.

### **1 Incorporated Private Sector Entities**

- 11 Proprietary Companies
- 12 Public Companies
- 13 Other Incorporated Entities

### **2 Unincorporated Private Sector Entities**



- 21 Sole Proprietorship
- 22 Family Partnerships
- 23 Other Partnerships
- 24 Trusts Regarded as Corporations
- 25 Other Trusts
- 26 Other Unincorporated Entities

### 3 Public Sector Entities

- 31 Government Companies
- 32 Other Government Entities
- 33 Foreign Government Entities

A table showing correspondences between the current and previous TOLO classifications is included in data cube (available from the Data downloads section). The remainder of this chapter discusses the composition of each of the TOLO Groups and Classes.

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## Group 1 – Incorporated private sector entities

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## Group 2 – Unincorporated private sector entities

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## Group 3 – Public sector entities

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## Data downloads

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SESCA Version 1.1 SISCA and SNA Correspondences

[↓ Download XLS](#)

[80 KB]

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## Explanatory notes

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## ABS Business Register and The ABS Units Model (Appendix)

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## Glossary

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## Abbreviations

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## Previous catalogue number

This release previously used catalogue number 1218.0







